



1600 West Brookmont Blvd.
Kankakee, IL 60901
Phone: 815-933-0444
Fax: 815-933-0104

Providing Wastewater Treatment to the Kankakee River Valley

Board of Directors

Request for Interest and Qualifications

Chairman

Bruce Adams
Mayor
Village of Bradley

The Kankakee River Metropolitan Agency (KRMA) currently seeks to fill the position of Executive Director, which will become available May 1, 2018.

Vice Chairman

Dennis Baron
Alderman
City of Kankakee

The KRMA Board of Directors is at this time soliciting interest from consulting engineering firms and individuals. The KRMA Board of Directors anticipates this position to be part-time with an estimated time commitment to be 10-15 hours per week on average. Firms/ individuals interested should have extensive experience in management and engineering.

Secretary

Paul Schore
Mayor
Village of Bourbonnais

History

Pursuant to an intergovernmental agreement dated July 20, 1988, and amended April 30, 1995, the City of Kankakee and the Villages of Bradley, Bourbonnais and Aroma Park agreed to be jointly involved in the establishment of an independent agency with authority to operate the facility, raise revenues, and exercise other powers as necessary. The independent agency created was the Kankakee River Metropolitan Agency. The agreement requires a seven-member board, including four persons appointed by the Mayor of the City of Kankakee and one person appointed by the Mayor of each other Village.

Chasity Wells- Armstrong

Mayor
City of Kankakee

The Regional Treatment Plant

Separate influent lines from Kankakee and the other communities feed the wet well at the head of the plant. Screw pumps lift the influent to the preliminary treatment structure where three mechanically-cleaned bar screens remove solids and two VORTEX cyclone-type units collect and dewater solids for removal to landfill. Six primary clarifiers settle and skim primary solids that blend with secondary solids thickened by dissolved air flotation thickening followed by anaerobic digestion.

Brian Stump

Mayor
Village of Aroma Park

Marc Wakat

Representative
City of Kankakee

Primary effluent flows to a trio of three-pass aeration basins. Air from high-speed turbo blowers is distributed through fine-bubble diffusers. One bay is devoted to anoxic mixing to remove nitrates. The basins are set up to remove phosphorus biologically, should a future need arise. Treated water that settles in four secondary clarifiers is disinfected and discharged to the Kankakee River. Wet weather flows are contained and controlled in the equalization basin and separate chlorination/dechlorination facility. Primary treatment of settling and disinfection is provided for all wet-weather flows. KRMA awaits an Illinois EPA overflow treatment permit.

Carl Brown

Alderman
City of Kankakee

Staff

Executive Director
Richard G. Simms, P.E.

Plant Superintendent
Arthur L. Strother



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Executive Director Duties

The Executive Director is charged with the supervision and management of the Agency's affairs. The Executive Director shall be the chief administrative officer of the Agency and shall administer all functions of the Agency as directed by the Board. The duties of the Executive Director shall include, but are not necessarily limited to, the following:

- Administrative responsibility for the organization, construction, operation and maintenance of the Agency;
- Supervision of all employees and consultants of the Agency;
- Hiring personnel to fill positions of vacancies on the Agency's administrative staff and to discharge or retire such employees in accordance with the administrative rules and procedures established by the Agency;
- Attendance at all Agency meetings unless excluded therefrom;
- Attendance at any Agency committee meeting at which his or her attendance has been requested;
- Attendance at relevant Village Board and City Council meetings of the Agency's member communities when so requested;
- Recommendation of policies, plans and procedures for the organization, construction, operation and maintenance of the wastewater treatment facilities and equipment of the Agency;
- Purchase of materials and services according to administrative rules and procedures established by the agency;
- Preparation and presentation of the annual budget to the Agency;
- Preparation and presentation to the Board for consideration and approval such administrative rules and orders as may be deemed necessary and appropriate; and
- Representation of the Agency before conferences, professional associations or relevant public groups when requested to do so by the Agency.



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Upon completion of the evaluation process, interested firms/ individuals should submit a letter of interest and qualification by 12/04/17 to:

Kankakee River Metropolitan Agency
1600 Brookmont Blvd.
Kankakee, IL 60901
Attn: Mayor Bruce Adams, Chairman

Electronic submissions will also be accepted at: resumes@krmawastewater.com.

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INTERGOVERNMENTAL AGREEMENT

**AMENDED AND RESTATED MUNICIPAL JOINT SEWAGE TREATMENT
AGENCY INTERGOVERNMENTAL AGREEMENT**

This Agreement by and among the City of Kankakee and the Villages of Aroma Park, Bourbonnais and Bradley, located in Kankakee County, all municipal corporations, providing for the joint and cooperative ownership, operation, use and maintenance of a wastewater treatment system under and pursuant to the Illinois Intergovernmental Cooperation Act and the Municipal Joint Sewage Treatment Act;

WITNESSETH:

WHEREAS, the parties hereto have been jointly involved in the establishment, operation and utilization of the Regional Wastewater Treatment Facility (the "Facility"), a sewage/wastewater treatment plant located in the City of Kankakee, Kankakee County, Illinois, under the terms and conditions of an existing intergovernmental agreement dated July 20, 1988, and amended on April 30, 1995; and

WHEREAS, the municipalities that are parties to this Agreement (the "Members") previously recognized the mutual benefits to be derived from the Facility which would meet the environmental and health needs of area residents, businesses and industry, facilitate economic development and industrial expansion, and respond to concerns of federal and state environmental agencies; and

WHEREAS, although Facility construction was successfully completed with the assistance of a federal grant and bond proceeds and the Facility is operating smoothly and serving the needs of the Members, those municipalities have determined that to most effectively serve the future

needs of the planning area that has been designated for the Facility, to improve the Facility, and to operate it in a manner that is completely fair to all participants, it is essential to establish an independent agency with authority to operate the Facility, raise revenue, and exercise other powers; and

WHEREAS, the parties hereto have determined that joint action is the most effective way to accomplish the above-described purposes; and

WHEREAS, units of local government have had conferred upon them the following powers by Article VII, Section 10(a) of the Constitution of the State of Illinois:

Units of local government and school districts may contract or otherwise associate among themselves, with the State, with other states and their units of local government and school districts, and with the United States to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or by ordinance. Units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance. Participating units of government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities.

; and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., provides as follows:

Section 3. Intergovernmental Agreements

Any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment.

Section 5. Intergovernmental Contracts

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties.

; and

WHEREAS, pursuant to the Municipal Joint Sewage Treatment Act, 5 ILCS 220/3.4, two or more municipalities and/or counties are further authorized to jointly form a municipal joint sewage treatment agency to provide for the treatment, carrying off and disposal of swamp, stagnant or overflow water, sewage, industrial wastes and other drainage of member municipalities and counties; and

WHEREAS, the parties hereto have authorized the execution of this Agreement as an exercise of their respective governmental authority, as an exercise of their intergovernmental cooperation authority under the Constitution and laws of the State of Illinois, and specifically pursuant to statutory authority to establish a municipal joint sewage treatment agency; and their purposes, powers, rights, objectives, and responsibilities hereunder are fully set forth herein;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and upon the further consideration of the recitals hereinabove set forth, it is hereby agreed by, between and among the parties hereto, as follows:

I. DEFINITIONS

"Agency" shall mean the Kankakee River Metropolitan Agency, a municipal corporation and a public body politic and corporate of the State of Illinois, created and existing under the authority of Article VII, Section 10 of the Constitution of the State of Illinois, Sections 3 and 5 of the Intergovernmental Cooperation Act and the Municipal Joint Sewage Treatment Act.

"Board" shall mean the Board of Directors of the Agency.

"Capacity" shall mean, as of any time, the maximum [daily] capacity of the Facility to treat wastewater, expressed in units equal to one million gallons per day ("MGD"), as determined by competent professional engineers.

"Capacity Allocation" shall mean the allocation of Capacity to and among the Members and shall not include any Reserve Capacity held by the Agency or allocated to Customers pursuant to Customer Contracts or Agreements. The Capacity Allocation is set forth in Articles VI and VII and in *Exhibit I*.

"Capacity Allocation Agreement" shall mean an agreement among any two or more Members reallocating Capacity among them.

"Capital Costs" shall mean, collectively, the costs of (i) debt service on bonds or notes of the Agency, including all amounts that the Agency covenants to collect from Members under any bond resolution and deposits to any debt service reserve fund established in connection therewith; (ii) acquiring, constructing, reconstructing, repairing, equipping, improving or extending the Facility; and (iii) deposits to any depreciation or replacement fund established in connection with any bonds or notes of the Agency.

"Costs" shall mean the aggregate of Capital Costs and Operation and Maintenance Costs.

"Customer" shall mean any unit of local government other than a Member, any agency or department of the State of Illinois, any agency, instrumentality or department of the United States of America, and any "industrial establishment" (as that term is used in Section 11-141-2 of the Illinois Municipal Code) that has entered into a Customer Contract with the Agency pursuant to which (i) the Customer will contribute wastewater for treatment at the Facility, and (ii) the Customer will pay applicable rates and charges for its use of the services provided to it by the Facility.

"Customer Contract" shall mean a contract or agreement between the Agency and a Customer providing the terms and conditions upon which the Agency shall treat wastewater contributed by the Customer. A Customer Contract shall allocate to the Customer all or any part of the Reserve Capacity not previously allocated to other Customers.

"Facility" shall mean the regional wastewater treatment plant located in the City of Kankakee, Illinois, and certain designated lines, connectors and equipment, and includes all property, real, personal or mixed, owned or to be owned by the Agency or under the control of the Agency and used for wastewater treatment purposes. It does not include the sewer collection systems of the Members.

"Member System" shall mean, with respect to a Member, the municipal sewerage enterprise system of such Member.

"Members" shall mean the City of Kankakee, Illinois, and the Villages of Aroma Park, Bourbonnais and Bradley, Illinois.

"1999 Debt Service Allocation" shall mean the allocation among the Members of responsibility for percentage shares of the total debt service on the 1999 Bonds, as agreed to by the Members. The current allocation totaling 100% of debt service is shown on *Exhibit 3*. Whenever Capacity is reallocated among the Members, Exhibit 3 shall be changed without further action of the Board, provided that any such change shall also reflect a 100% total for debt service.

"1999 Bonds" shall mean the revenue bonds of the Agency issued in 1999 to acquire the Facility from the City of Kankakee, Illinois.

"Operation and Maintenance Costs" shall mean all costs of operating, maintaining and making routine repairs to the Facility including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of wastewater treatment services (including all payments by the Agency pursuant to long term contracts for such services); but excluding debt service, depreciation, or any reserve requirements; and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Reserve Capacity" shall mean Capacity that has not been allocated to any of the Members.

"Revenue" shall mean all income, rates, fees or charges from whatever source derived by the Agency from the Facility including, specifically, all payments by the Members pursuant to the Agreement and all payments by Customers pursuant to their respective Customer Contracts, and further including (i) investment income; (ii) connection, permit and inspection fees and the like; (iii) penalties and delinquency charges; (iv) Facility development, reimbursement, or recovery charges and the like; (v) annexation or pre-annexation charges insofar as designated by the Board as paid for Facility connection or service but excluding expressly (a) non-recurring income from the sale of

property of the Agency; (b) governmental or other grants; (c) advances or grants made to the Agency; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Service Area" shall mean the geographic area served by the Facility as of the date of execution of this Agreement and any additional area added to the Service Area as authorized by the Board. From time to time, the term "Facility Planning Area," a term used by the IEPA for the same geographic area covered by the Service Area, may also be used by the Agency.

II. ESTABLISHMENT AND POWERS OF THE AGENCY; BOARD OF DIRECTORS

- A. The Agency is hereby created and established for the purpose of jointly treating and processing wastewater contributed by the Members and any Customers. The Agency shall function through and be governed by a Board of Directors.
- B. The Agency, by action of its Board, shall have, and is hereby delegated, in addition to any and all powers enumerated or implied in the Municipal Joint Sewage Treatment Act, the full power and authority to:
 - 1. operate and maintain the Facility and any expansions thereof in accord with applicable federal, state, and local laws, ordinances and regulations;
 - 2. secure and provide necessary personnel, equipment, and improvements, either directly or through Members;
 - 3. establish a system of revenue through direct payments by Members and Customers and from other sources;
 - 4. apply for and accept gifts, loans or grant monies or other forms of financial assistance from any public agency, government body or private entity;
 - 5. enter into Customer Contracts with any Customers as permitted by law;
 - 6. borrow money from time to time and, in evidence of its obligation to repay the borrowing, issue its negotiable revenue bonds or notes for any of the following purposes: for paying costs of planning, constructing, reconstructing, acquiring, leasing, equipping, improving or extending a drainage and sewage

treatment project; for paying other expenses incident to or incurred in connection with such project; for repaying advances made to or by the Agency for such purposes; for paying interest on the bonds or notes until the estimated date of completion of any such project and for such period after the estimated completion date as the Board shall determine; for paying financial, legal, administrative and other expenses of the authorization, issuance, sale or delivery of bonds or notes; for providing or increasing a debt service reserve fund with respect to any or all of the Agency's bonds or notes; and for paying, refunding or redeeming any of the Agency's bonds or notes before, after or at their maturity, including paying redemption premiums or interest accruing or to accrue on such bonds or notes being paid or redeemed or for paying any other costs in connection with any such payment or redemption, and for such other purposes as may be provided for in the Municipal Joint Sewage Treatment Act;

7. apply for and operate the Facility in compliance with any and all government agency permits necessary in the performance of the Facility, including but not limited to NPDES permits and State of Illinois air pollution control permits;
8. perform such other acts as may be necessary or desirable for the establishment, maintenance, operation, improvement and expansion of the Facility;
9. Enter into Customer Contracts with respect to all or any part of the Reserve Capacity;
10. review and approve an annual budget;
11. appoint committees and hire personnel as deemed necessary;
12. establish rules of procedure for the operation of the Board by means of bylaws; and
13. Acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage or dispose of land and other property, real or personal, or rights therein, and grant or acquire licenses, permits, easements and options with respect thereto, all in the manner and at such price as the Agency determines is reasonably necessary to achieve its authorized objectives.

- C. The Agency shall be governed by a seven-person Board of Directors consisting of four persons appointed by the Mayor of the City of Kankakee, and one person from each of the Villages of Aroma Park, Bourbonnais and Bradley appointed by the respective Mayors of said Villages. Directors shall serve for one-year terms. Each

Director shall be entitled to one vote. The location of the meetings of the Board shall be the Facility unless the Board members agree otherwise.

The Board shall determine the general policy of the Agency, shall approve the annual budget, shall make all appropriations, shall approve all contracts, shall adopt all resolutions providing for the issuance of bonds or notes by the Agency, shall adopt its bylaws, rules and regulations, and shall have such other powers and duties as may be prescribed elsewhere in this Agreement.

The Board shall meet at least monthly or at the call of the Chairman or any four of the Board members of the Agency. All meetings of the Board shall comply with the requirements of the Illinois Open Meetings Act.

A simple majority of the Board members shall constitute a quorum to do business. The concurrence of a majority of all Directors is required for the passage of any ordinance or resolution, the incurring of any debt or financial obligation, the approval of any payment or the making of any appropriation. All other actions shall require the vote of a majority of those Directors present, provided there is a quorum present at the time, except as otherwise provided in this Agreement and except that the affirmative vote of five Directors shall be required to modify this Agreement, modify the rate methodology or the amount of user charges, approve bond issues, make any appropriation in excess of \$50,000, change the membership of the Agency, or exercise the power of eminent domain.

By resolution adopted by the affirmative vote of five Directors, the Agency may delegate to one or more officers named in the resolution the power to establish the terms of an issue of revenue bonds or notes of the Agency within limits specified by the Board in the Resolution.

- D. The Agency shall have perpetual duration unless dissolved and terminated as provided in Section XII of this Agreement.

III. ANNUAL BUDGET; AUDIT; BONDS AND NOTES

- A. Adoption of the annual operating budget shall require the affirmative vote of four Directors. The fiscal year of the Agency shall be May 1 to April 30.
- B. The Agency budget shall be prepared and maintained as a separate document and shall not be intermingled or made a part of the regular budgets of any of the Members.
- C. An annual audit shall be executed by an auditing firm selected by the Board. The auditing firm selected by the Agency shall be a firm independent of the auditing firm auditing the books and records of any of the Members, unless such firm is approved by vote of the majority of the Board members.

- D. Any resolution authorizing the issuance of the bonds or notes of the Agency shall pledge and provide for the application of Revenues to payment of Operation and Maintenance Costs, to provision for adequate depreciation, reserve or replacement funds with respect to the Facility, and to the payment of principal, premium, if any, and interest on the bonds or notes of the Agency. All bonds or notes of the Agency shall be revenue bonds or notes and shall have no claim for payment other than from Revenues of the Agency. Bonds or notes issued by the Agency shall not constitute an indebtedness of any Member or Customer.

IV. PERSONNEL

- A. All appointments of personnel for the Facility shall be made by the Superintendent, and shall be made only on the basis of merit and fitness, using criteria determined by the Board.
- B. The Board may appoint an Executive Director who shall be an employee at will charged with the duty of directing and supervising the daily operation of the Agency subject to the general policy decisions of the Board, and shall be responsible for carrying out the policy decisions of the Board and other duties as determined by the Board, and shall report to the Board from time to time regarding the activities of the Facility.
- C. The Board may hire a Superintendent who shall report to the Board (or to the Executive Director, if such is appointed) and shall be responsible for supervising the operation and maintenance of the Facility; performing wastewater analysis to determine cost and allocation; monitoring compliance with federal, state and local regulations and permit requirements; preparing reports as directed by the Board (or the Executive Director, if such is appointed); and such other duties as may be appropriate. The Superintendent shall attend all meetings of the Board.

V. FACILITY OWNERSHIP AND MANAGEMENT

- A. It is the intention of the Members that the Agency acquire ownership of the Facility. Currently, the City of Kankakee has outstanding revenue bonds to which are pledged the revenues derived from the operation of the Facility. Covenants made in connection with these bonds require that the City maintain ownership of the Facility until such bonds are fully paid or defeased. The Kankakee bonds are subject to redemption as early as 2003, and will finally mature in 2016.

The City of Kankakee agrees to review the bonding issue with the Board not later than 2003, and to review the entire agreement in 2016. Until the Kankakee bonds are fully paid or defeased and subject to the requirements of Article IX, the City of Kankakee agrees to act as the financial implementer for the Agency by providing

additional bonding capacity, if necessary, to a limit acceptable to the City of Kankakee.

- B. The City of Kankakee shall convey title to and all of its ownership rights in the Facility to the Agency no later than the year 2016, the date on which the last of its existing revenue bonds will be retired, provided, however, that if the City exercises its rights of early redemption in 2003 or after, or provides for the defeasance of its revenue bonds at any time, such that all of the bonds are fully paid or defeased, then the City shall effect said transfer immediately thereafter.
- C. The Agency shall pay the City of Kankakee a purchase price for the Facility, which price shall be determined mutually by the Agency and the City based on studies and reports prepared by consultants selected by agreement between the Agency and the City and stated in the Bond Resolution and appropriate related documents for the 1999 Bonds.

VI. FACILITY OPERATION AND ALLOCATION OF COSTS

A. Conversion Date

The Agency shall take over complete operation and maintenance of the Facility from the City of Kankakee at a date to be mutually agreed on by the Members.

B. Interim Operations Until Conversion Date

Within 90 days of the execution of this intergovernmental agreement, the Agency shall enter into an Operating Agreement with the City of Kankakee which identifies responsibilities and terms of the operation of the Facility for a period of not less than one year. The Operating Agreement shall also provide for the City of Kankakee to continue to receive its existing payment in lieu of taxes, and for electricity for the Facility to continue to be purchased from the City of Kankakee hydropower plant.

The Agency may, subject to the requirements of Article IX, solicit proposals from the City of Kankakee and other interested entities for the contract operation of the Facility upon the termination of any Operating Agreement with the City. Until such time as the Board determines to accept an alternative proposal from another entity, the City of Kankakee shall continue to operate the Facility. There shall be not less than one year's written notice to the City of Kankakee regarding a change to contract operations of the Facility.

C. Transfer of Existing Permits

In developing the Operating Agreement, the Agency shall arrange with the City of Kankakee for the transfer to the Agency of the National Pollution Discharge

Elimination System (NPDES) Permit and the modification of the Sludge Disposal Permit.

D. Billing Procedure

Not later than the twenty-first calendar day of each month, the Agency, by its Superintendent, or Executive Director, if such is appointed, shall send a bill to each Member and Customer for the treatment of wastewater based on required federal regulations and the Rate Methodology established in Article VI. F. The Agency will also make available to each Member, upon request, a monthly budget statement, said statement detailing, by line item, expenditures for the previous month, end of the month encumbrances, and unencumbered budget balances.

E. Revenue Fund

The Agency shall maintain a separate fund entitled "Sewage Treatment Agency Operating Fund" (the "Revenue Fund"). All Operation and Maintenance Costs shall be charged to said fund and all Revenues shall be credited to said fund.

F. Rate Methodology

The Agency shall apportion Operation and Maintenance Costs among the Members in proportion to the hydraulic flow, measured in MGD, that each Member contributes for treatment at the Facility. The Agency shall apportion Capital Costs among the Members as follows: debt service on the 1999 Agency Bonds, including any required deposits to any debt service reserve funds established in connection with the 1999 Agency Bonds, and debt service on any bonds or notes of the Agency issued to refund the 1999 Agency Bonds, including any required deposits to any debt service reserve funds established in connection with such refunding bonds, shall be allocated among the Members in accordance with the 1999 Debt Service Allocation, and all other Capital Costs shall be allocated among the Members in proportion to the Capacity Allocation among the Members, in both instances excluding any Reserve Capacity held by the Agency or allocated to Customers. The Superintendent shall review the Agency's allocation of Operation and Maintenance Costs annually and shall make recommendations to the Board for any necessary changes in such allocations.

Amounts payable by Members for Costs shall be reduced proportionately to the extent that the Agency receives payments by Customers under Customer Contracts or Agreements or any other Revenues, but neither the existence of Customer Contracts or Agreements nor the receipt of payments by Customers under them, or the receipt of any other Revenues, shall modify the allocation of Operation and Maintenance Costs and Capital Costs as provided above.

The Board may modify the rate methodology, but each such modification shall comply with Article IX and any applicable restrictions in resolutions authorizing outstanding revenue bonds and notes of the Agency.

G. Measurement of Flow and Method of Metering

The Superintendent shall establish a method of flow measurement and metering, which shall be approved by the Board.

H. Records and Recordkeeping

The Board may appoint either the auditor or the Superintendent to develop procedures for records and recordkeeping that will be subject to Board approval.

VII. CAPACITY ALLOCATION

- A. The current Capacity of the plant is 25 MGD. *Exhibit 1* shows the Reserve Capacity of the Facility and the current allocation of Capacity among the Members. The Agency may modify or expand the Facility to increase the Capacity in accordance with Sections IIB and V. The Agency shall maintain any Reserve Capacity thereby created for allocation to Members or Customers as provided in this Agreement.
- B. If the 30-day average flow from any Member exceeds its Capacity Allocation more than two times in any twelve-month period, then the Superintendent shall give written notice to the Member, and a six-month cure period shall begin. Within this cure period, the Member shall negotiate the terms of and execute a Capacity Allocation Agreement with one or more of the other Members, such agreement to be effective at or before the end of the cure period and to provide for a transfer to the first Member of sufficient additional Capacity to at least equal the excess flow. If any Reserve Capacity exists, the Member may negotiate with the Agency for an allocation to it from the Reserve Capacity of the necessary additional Capacity by means of a transfer of such Capacity. Such an allocation shall be evidenced by an amendment to *Exhibit 1*.

Each Customer Contract shall contain provisions similar in substance to the foregoing paragraph.

If the Member fails to cure the flow situation within the cure period, then the matter shall be resolved in accordance with Article XIII.

- C. If any Member determines that it has allocated to it Capacity beyond its current and future requirements, then it may negotiate the terms of and execute a Capacity Allocation Agreement with one or more other Members. The Member or Members providing Capacity for reallocation to another Member shall be entitled to charge the recipient a fee [based on the annual costs of outstanding debt service obligations. In

1995, debt service costs on the Facility were \$54,300 per MGD on the basis of 30-day maximum flows. The Members providing Capacity shall also be entitled to reasonable administrative costs in developing the fee.] The Agency shall annually request each Member to identify in writing its reallocation charge and the amount of capacity available for reallocation for the information of the other Members.

VIII. FUTURE CAPITAL IMPROVEMENTS

- A. If, at some future date, it becomes necessary or advisable to enlarge, improve, or expand the Facility, including expansion of the Service Area boundaries and any connections to permit use of the Facility by Customers, [and to pledge revenue for such purpose,] the same may be accomplished with the approval and a majority vote of five Directors under such terms as may be agreed to by the Board.
- B. The Members have mutually agreed to individually expand the Service Area within the general boundaries shown on *Exhibit 2*. Within six months of execution of the Agreement, the Agency shall develop a formal boundary agreement with all Members which precisely delineates the boundaries of the Service Area and which establishes a mechanism to modify the boundaries at a later date.

IX. AGENCY BOND COVENANTS

Until such times as the Agency owns the Facility and the outstanding sewer revenue bonds of the City of Kankakee are no longer outstanding, this Agreement shall be subject to all applicable restrictions contained in the present sewer revenue bond ordinances of the City of Kankakee.

X. REGULATIONS

A. Sewer Use Ordinances of Member Systems

Each Member represents to the other Members that it has adopted, and agrees that it will maintain and enforce, appropriate ordinances imposing sewer use regulations which establish standards for the connection and use of public and private sanitary sewers, the discharge of industrial and other wastewater into sewer systems, and industrial surcharges. Said sewer use regulations shall at least be as strict as standards established by Kankakee Metropolitan Wastewater Utility of the City of Kankakee as may be amended from time to time.

B. User Charge Ordinances of Member Systems

Each Member represents to the other Members that it has adopted, and agrees that it will maintain and enforce, a user charge ordinance for its Member System through which it has assessed and will continue to assess its share of the Costs to the users of its Member System. Such ordinances shall be adopted and enforced pursuant to this

Article and shall be in accordance with the regulations contained in Section 35.935 of Chapter 40 of the Code of Federal Regulations (40 CFR 35.935).

C. Industrial Pretreatment Program

Each Member and any Customer, if required by the Agency or the IEPA, shall provide to the Agency a written pretreatment program acceptable to the IEPA or designate the Agency to prepare such a program on its behalf.

XI. COVENANTS OF THE MEMBERS

Each Member covenants that:

- A. It will operate and maintain, or cause to be operated or maintained, its Member System, and all improvements and extensions of its Member System, in good repair and working order, will operate the same efficiently, will establish and maintain appropriate depreciation and/or replacement funds for its Member System, and will punctually perform all duties with respect to its Member System as may be required by the Constitution and laws of the State of Illinois and all other applicable laws and by all resolutions and ordinances of such Member. From time to time, it will take steps reasonably necessary so that its Member System may at all times be operated properly and advantageously.
- B. It will continue to own and possess its Member System and will, within the exercise of reasonable business judgment and in a manner so as not to cause a default hereunder, dispose of property which is part of its Member System only to the extent that such property is no longer useful or profitable in the operations of its Member System.
- C. It will treat all payments required to be made to the Agency under this Agreement as operation and maintenance costs of its Member System incurred to pay for sewerage treatment services. It will include in its annual appropriation or budget ordinance adequate funds for the aforementioned payments. Such payments shall have a lien upon the revenues derived from the operation of the applicable Member System senior to payments of debt service on obligations of the applicable Member payable from such revenues. Each Member covenants that it will not pledge the revenues derived from the operation of its Member System to any obligations with a lien senior to, or on a parity with, its obligations to make the payments required under this Agreement.

XII. WITHDRAWAL, DISSOLUTION AND TERMINATION

- A. Any Member may at any time withdraw as a member of the Agency but only upon the consent of the Board and upon the consent of each other Members. Any Member

may withdraw pursuant to this Section only upon filing with the Agency a certified copy of an ordinance of the Member determining so to withdraw. Any consent by any Member to withdrawal by any other Member shall be made only by filing with the Agency a certified copy of an ordinance so consenting to the withdrawal.

- B. Any withdrawing Member shall be responsible for its pro-rata share of any unpaid contracts, debts and obligations of the Agency, including any revenue bonds or notes, incurred prior to the date of withdrawal or removal in proportion to its respective share or cost-sharing, as the case may be, and no withdrawal shall be effective unless and until said obligations have been satisfied.
- C. Upon the withdrawal of one or more Members so as to reduce the number of Members to less than three, the Agency may be dissolved and terminated, subject to Section XII(D). Upon the filing with the Agency of certified copies of ordinances of the majority of Members determining to dissolve and terminate the Agency, then the Agency shall be so dissolved and terminated, subject to Section XII(D). If the number of Members is reduced to two, a vote of either Member to dissolve shall be sufficient to dissolve the Agency, subject to Section XII(D).
- D. The Agency may not be dissolved or terminated if any revenue bonds or notes of the Agency remain unpaid and undischarged, unless such bonds or notes remain unpaid and undischarged solely because their holder failed to present them for payment when due at maturity or on a prior date on which such bonds or notes were duly called for redemption prior to maturity.
- E. If withdrawal of one or more Members results in dissolution and termination of the Agency as provided herein, then the withdrawing Members shall participate in the dissolution of the Agency as set forth in Section XII(F).
- F. Upon the termination and dissolution of the Agency:
 - (1) The contracts, debts and obligations of the Agency remaining unpaid after such dissolution and termination shall be the several obligations of the respective Members in the respective allocations established for Capital Costs and Operation and Maintenance Costs, as applicable, in accordance with this Section or by separate resolution.
 - (2) The assets of the Agency remaining after dissolution shall be distributed among the Members which had been Members of the Agency within one year prior to such dissolution and termination in proportion to their respective proportionate share of Capital Costs as established by the Board or by previous agreement, after any setoff with respect to the provision for payment of that Member's share of the contracts, debts and obligations of the Agency.

- (3) The Agency shall file a notice of dissolution with the Secretary of State.
- G. The Agency shall not be liable for any liability or obligations incurred individually by any Member except as agreed by the Board.

XIII. CONFLICT RESOLUTION

A. Definition

A "dispute" or "grievance" is defined as a difference of opinion raised by a Member against the Agency or the Agency against a Member regarding an alleged violation, misapplication or misinterpretation of an express provision of this Agreement.

B. Procedure

A grievance filed against the Agency or a Member shall be processed in the following manner:

The aggrieved party shall submit the grievance in writing to the representative of the other party specifically indicating that the matter is a grievance under this Agreement. The grievance shall contain a complete statement of the complaint, the provision or provisions of this Agreement which are alleged to have been violated, and the relief requested. All grievances must be presented no later than ten (10) business days from the date of the occurrence of the matter giving rise to the grievance or the aggrieved party's discovery of such matter using reasonable diligence, whichever is later. The party served with the written notice of grievance shall provide a written answer within seven business days from receipt of the notice.

C. Arbitration

Arbitration shall proceed in the following manner:

- (1) The Agency and the Member shall confer and attempt to reach agreement on the selection of an arbitrator. In the event that parties are unable to agree upon the arbitrator within ten (10) days, they shall obtain a list of recognized arbitrators from the Federal Mediation and Conciliation Service. Upon receipt of such list, each party shall strike a name from the list, until there is one name remaining. The remaining individual shall be the arbitrator. The party requesting the arbitration shall strike first.
- (2) The arbitrator shall promptly review the grievance and shall hold a hearing, and the scope of the hearing shall be defined by the grievance and this Agreement. The hearing shall only be open to the parties in interest. The

parties may request that a written transcript of the hearing be made, to be paid for by each party.

- (3) The arbitrator shall issue his/her decision not later than thirty (30) days from the close of the hearing.
- (4) The decision of the arbitrator shall be in writing and shall set forth the findings of fact, reasoning and conclusion of the issues submitted.
- (5) The decision of the arbitrator shall be binding upon the parties to the grievance.
- (6) The cost of the arbitrator's fees and expense and the cost of a court reporter, if jointly requested by the parties, shall be borne equally by the Agency and the Member. Each party shall be responsible for its own costs.
- (7) The arbitrator shall have full authority to decide all issues of substantive and procedural arbitrability provided, however, that the parties shall not be prejudiced from challenging arbitrability determinations on subsequent review in judicial and quasi judicial proceedings.

D. Modification of Procedure


The Agency may amend the procedures set forth herein or may provide for alternative forms of dispute resolution by amending this Agreement or by means of its By-laws.

IX. PREVIOUS AGREEMENT; SAVINGS CLAUSE

- A. The intergovernmental agreement between the City of Kankakee and the Villages of Aroma Park, Bourbonnais and Bradley, dated the 20th day of July, 1988, and amended April 13, 1995, was rendered void as of May 1, 1996, the date on which this Agreement became effective.
- B. This Agreement is an amendment and restatement of the Municipal Joint Sewage Treatment Agency Intergovernmental Agreement entered into by the parties hereto on May 1, 1996 (the "1996 Intergovernmental Agreement"). All actions taken by the Agency and its Directors under the 1996 Intergovernmental Agreement are hereby ratified, confirmed and approved.

EXECUTED this 8 day of March, 1999, by the following:

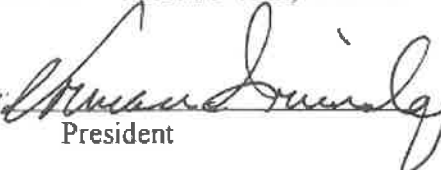
CITY OF KANKAKEE, ILLINOIS

By: 
Mayor

ATTEST:


City Clerk

VILLAGE OF AROMA PARK, ILLINOIS

By: 
President

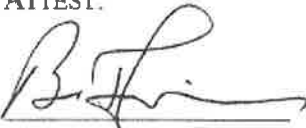
ATTEST:


Village Clerk

VILLAGE OF BOURBONNAIS, ILLINOIS

By: 
President

ATTEST:


Village Clerk

VILLAGE OF BRADLEY, ILLINOIS

By: Kenneth P. Hayes
President

ATTEST:

William J. Hayes
Village Clerk

EXHIBIT 1

Allocation of Capacity

City of Kankakee	16.6 mgd
Village of Bourbonnais	4.4 mgd
Village of Bradley	3.8 mgd
Village of Aroma Park	0.1 mgd
Reserve capacity	<u>0.1 mgd</u>
Total	<u>25.0 mgd</u>

EXHIBIT 2

**Service Area Map Showing Boundaries
for Expansion by Each Member**

EXHIBIT 3

Allocation of Debt Service on Series 1999 Bonds

City of Kankakee	_____ %
Village of Bourbonnais	_____ %
Village of Bradley	_____ %
Village of Aroma Park	_____ %
Total	<u>100.0%</u>

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Providing Wastewater Treatment to the Kankakee River Valley

BY - LAWS

LAW OFFICES

ANCEL, GLINK, DIAMOND, COPE & BUSH, P.C.
140 SOUTH DEARBORN STREET
THE MARQUETTE BUILDING
SIXTH FLOOR
CHICAGO, ILLINOIS 60603
312 / 782-7606
FAX 312 / 782-0943

WHEATON OFFICE
511 WEST WESLEY STREET
WHEATON, ILLINOIS 60187
(708) 682-4047
FAX (312) 782-0943

LAKE COUNTY OFFICE
20 SOUTH UTICA STREET, SUITE 107
WAUKEGAN, ILLINOIS 60085
(847) 244-8682
FAX (847) 244-7022

Sharon L. Eiseman
Ext. 312

M E M O R A N D U M

TO: Board of Directors
Kankakee River Metropolitan Agency

FROM: Sharon L. Eiseman

DATE: June 21, 1996

RE: Revised By-laws

Enclosed is a set of revised By-laws for the Board's consideration. Please also note that I have added a description of the position and duties of Superintendent. Since I have not yet received any comments from the directors regarding the first draft, the other changes I made are minor and, for ease of identification, have been "red-lined".

I have also enclosed additional optional sections 6c and 6d of Article III defining the duties of Secretary and Treasurer in the event the Board decides to create those offices. You can either include these sections in the By-laws as optional offices now or wait until such time as you decide to appoint directors (or others) to these offices and then amend the By-laws. Although the latter method may be less convenient, either approach will work.

At the July 15th meeting, we can discuss this version and any comments or recommendations sent to me within the next few weeks.

Enclosures

cc: Richard Simms, Superintendent
Mark L. Smith
Lawrence K. Ohm
Stewart H. Diamond, Esq.

~~CONFIDENTIAL~~
FINAL

**BY-LAWS OF THE
KANKAKEE RIVER METROPOLITAN AGENCY**

These By-Laws, together with the Municipal Joint Sewage Treatment Agency Intergovernmental Agreement (which Agreement, together with amendments to it from time to time, is referred to as the "Agreement"), govern the function and operation of the Kankakee River Metropolitan Agency, the name of the entity which functions as the statutorily-created Municipal Joint Sewage Treatment Agency (the "Agency").

ARTICLE I

GENERAL PROVISIONS

SECTION 1: GENERAL PURPOSE

The general purpose of these By-Laws is to establish the organizational structure and rules of procedure of the Agency.

SECTION 2: CORPORATE AUTHORITY

The Directors shall be the corporate authority of the Agency and shall have the power to pass and enforce all necessary ordinances, resolutions, rules, regulations and administrative orders for the conduct of business and management of property of the Agency.

SECTION 3: DEFINITIONS

For the purposes of these By-Laws, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number

include the plural number. The word "shall" is always mandatory and not merely directory.

- A. "Agency" shall mean the Directors of the Kankakee River Metropolitan Agency when acting as the governing body of said Agency.
- B. "Board" shall mean the body composed of Directors as provided in the Intergovernmental Agreement and which is the governing body of the Agency.
- C. "Chairman" shall mean the Chairman of the Kankakee River Metropolitan Agency duly appointed pursuant to the Intergovernmental Agreement.
- D. "Director" shall mean a Director of the Kankakee River Metropolitan Agency, duly appointed as such pursuant to the Agreement.
- E. "Employee" shall mean any full or part-time regular or temporary worker in the employ of the Agency.
- F. "Municipal Joint Sewage Treatment Agency Act" shall mean 5 ILCS 220/3.4 of the state statutes.
- G. "Presiding Officer" shall mean the Chairman, Vice Chairman or Chairman Pro-Tem, as the case may be, whose duty it is to chair Agency meetings.

ARTICLE II

AGENCY AND DIRECTORS

SECTION 1: COMPOSITION

The Agency shall consist of the duly appointed Director from each member municipality as set forth in the Intergovernmental Agreement. These representatives will serve as Directors as provided by statute.

SECTION 2: ALTERNATE DIRECTOR

Each member municipality shall select an Alternate Director with the same qualifications of a Director who may act on behalf of

the municipality at any scheduled meeting of the Agency, in the absence of the duly appointed Director.

SECTION 3: DESIGNATION

Each member shall file with the Chairman of the Agency the names of its appointed Director and its appointed Alternate Director.

SECTION 4: TERM

The term of each Director and Alternate Director shall be one (1) year, or until his or her successor is duly appointed by each member of the Agency.

SECTION 5: REMOVAL AND VACANCIES

A Director may be removed for any cause for which any other municipal officer may be removed. In the event of a vacancy on the Agency for whatever reason, such vacancy shall be filled promptly in accordance with the applicable statute and procedures for filling vacancies.

SECTION 6: DUTIES

The Agency shall perform those duties prescribed by Illinois statute and other duties as may from time to time be established by the Agency pursuant to such statutes.

SECTION 7: AUTHORITY

The Board of Directors shall be the corporate authority of the Agency and shall have the power to pass and to enforce all necessary ordinances, resolutions, rules, regulations and administrative orders and to form such other functions as are

necessary for the conduct of the business and the management of the property and affairs of the Agency.

SECTION 8: VOTING

Each Director is entitled to one (1) equal vote on all matters presented to the Agency at regular or special meetings. The vote may be cast only by the Director or Alternate Director, who must be in attendance at the scheduled meeting. No proxy votes or absentee voting shall be permitted.

SECTION 9: COMPENSATION

Directors may be reimbursed for their actual expenses incurred with regard to Agency business and shall be paid \$50.00 per meeting attended.

ARTICLE III

OFFICERS OF THE AGENCY

SECTION 1: OFFICERS

The officers of the Agency shall be the Chairman and Vice Chairman.

SECTION 2: CHAIRMAN AND VICE CHAIRMAN

The Chairman and Vice Chairman shall be elected by the Directors from their own number.

SECTION 3: TERM

All officers shall serve for a term beginning with the date of their appointment and ending with their successors having been properly appointed annually.

SECTION 4: VACANCY

In the event of a vacancy in office, for whatever reason, such vacancy shall be filled according to the same procedure used for the initial appointment.

SECTION 5: ADDITIONAL OFFICERS

The Agency may also, from time to time, by resolution create (and may subsequently discontinue) officer positions for the Agency in addition to those provided by these By-Laws. The Agency shall determine the duties of such additional officers, which shall not conflict with the duties specifically given by these By-Laws to other officers. The Agency shall determine the term of office and the method of election for such additional officers.

SECTION 6: DUTIES OF OFFICERS

The duties of officers shall be as follows:

A. Chairman: The Chairman shall

- (i) perform those duties prescribed by statute or the Agency;
- (ii) preside at all meetings of the Agency;
- (iii) appoint the officers with the advice and consent of the other Directors where the power to appoint is not granted to the Board of Directors directly;
- (iv) sign all ordinances, resolutions and other documents necessary to be signed on behalf of the Agency and execute all contracts entered into by the Agency unless the Board of Directors shall by resolution authorize some other person to execute contracts on behalf of the Agency;
- (v) have the power to vote in the same manner as the other Directors;
- (vi) perform such other duties as may be prescribed by the Board.

- B. Vice Chairman: In the event of the Chairman's absence or inability to act, the Vice Chairman shall, during such absence or inability to act, perform all duties and exercise all powers within the normal purview of the Chairman. The Vice Chairman shall serve until the Chairman's absence or inability to act shall terminate, or until such time as a new Chairman is duly elected in accordance with these By-Laws and applicable statutes.

SECTION 7: BONDS

Any officer or employee of the Agency who has the authority to authorize the payment, investment or expenditure of Agency funds, other than by participating in an act of the Board of Directors, shall give a bond for the faithful discharge of his or her duties, in such amount and with such surety or sureties as are approved by the Agency. The cost of such bond shall be paid by the Agency. No Director, officer or employee of the Agency shall be liable for any loss of the money deposited in an approved depository which loss occurs by reason of any failure or default of the depository.

ARTICLE IV

ADMINISTRATIVE AND OPERATING PERSONNEL OF THE AGENCY

SECTION 1: ADMINISTRATIVE STAFF

The administrative and operating personnel may consist of the following:

A. Superintendent.

If a Superintendent or person of similar status is appointed, he/she shall report to the Board of Directors or to the Executive Director if there is one and shall be accountable to the Agency as well as the City and to the public for the overall operation and

maintenance of the regional wastewater treatment facility and the collection system. In addition to those duties described in the Operating Agreement, the person who serves as the Superintendent or in a similar or equivalent position or capacity shall supervise the staff of the Facility and its general operation and perform some or all of the following tasks and/or other tasks as directed by the Board or Executive Director:

1. establish policies, procedures, schedules and methods for operation and maintenance of the treatment plant and collection system and related equipment;
2. analyze plant and laboratory reports, and direct the adjustment of processing methods to improve plant efficiency;
3. prepare annual budget and maintain budgetary controls;
4. plan and recommend the improvement of plant facilities through equipment acquisition; assists in development of specifications, make requisitions for supplies, materials, and equipment;
5. prepare detailed reports on plant operations for submission to superiors and/or other governmental agencies;
6. investigate and respond to employee grievances;
7. ensure employee compliance with safety rules and regulations;
8. determine staff requirements and interview prospective personnel as requested by the Board;
9. recommend rates for system users and maintain system reserve funds.
- B. Executive Director
 1. Appointment.

The Executive Director, if one is appointed, shall be appointed by a majority vote of the Directors for an indefinite

term and shall serve at the Agency's pleasure. The Executive Director shall be chosen on the basis of administrative and executive qualifications with reference to the duties of the office.

No Director or Alternate Director shall receive the appointment as Executive Director during his or her term of appointment as Director or Alternate Director.

The Executive Director may be removed by a majority of the Directors at any time. A contract employing the Executive Director may provide severance pay and benefits. The action of the Agency in removing the Executive Director shall be final.

2. Duties.

The Executive Director is charged with the supervision and management of the Agency's affairs. The Executive Director shall be the chief administrative officer of the Agency and shall administer all functions of the Agency as directed by the Chairman or the Board. The duties of the Executive Director shall include, but are not necessarily limited to, the following:

1. administrative responsibility for the organization, construction, operation and maintenance of the Agency;
2. supervision of all employees and consultants of the Agency;
3. hiring personnel to fill positions of vacancies on the Agency's administrative staff and to discharge or retire such employees in accordance with the administrative rules and procedures established by the Agency;
4. attendance at all Agency meetings unless excluded therefrom;

5. attendance at any Agency committee meeting at which his or her attendance has been requested;
6. attendance at relevant Village Board and City Council meetings of the Agency's member communities when so requested;
7. recommendation of policies, plans and procedures for the organization, construction, operation and maintenance of the wastewater treatment facilities and equipment of the Agency;
8. purchase of materials and services according to administrative rules and procedures established by the Agency;
9. preparation and presentation of the annual budget to the Agency;
10. preparation and presentation to the Board for consideration and approval such administrative rules and orders as may be deemed necessary and appropriate; and
11. representation of the Agency before conferences, professional associations or relevant public groups when requested to do so by the Agency.

SECTION 2: OTHER PERSONNEL

Any and all additional supervisory, administrative or operating personnel shall be under the direction of the Executive Director if there is one, otherwise, the Board or its designee.

SECTION 3: COMPENSATION

The Executive Director shall receive such compensation as the Agency shall from time to time determine. Other personnel shall receive such compensation as determined by the Board or by the Executive Director, if there is one, authorized by the annual budget and approved by the Agency.

SECTION 4: ABSENCE OR INABILITY

In the event of the Executive Director's absence or inability to act, the Chairman or his or her designee may perform the duties of the Executive Director until the next regular meeting of the Board of Directors. At that meeting, the Board of Directors shall determine whether the Chairman or his or her designee shall continue to serve in the Executive Director's absence or inability to act, or whether some other interim arrangement shall be in the best interest of the Agency.

ARTICLE V

MEETINGS

SECTION 1: OPEN MEETINGS

All regular and special meetings shall be open to the public except such meetings as may be held in closed session; and public notice of such meetings shall be given, in each case, in the manner as provided by the "Open Meetings Act," 5 ILCS 120/1, et seq., as amended from time to time.

SECTION 2: REGULAR MEETINGS

The Board of Directors shall establish the dates for the regular meetings of the Agency.

SECTION 3: ORDER OF BUSINESS AT REGULAR MEETINGS

The Chairman shall cause an agenda for all regular and special meetings to be given to each of the other Directors.

SECTION 4: SPECIAL MEETINGS

Special meetings, in the manner provided by law, may be called by the Chairman upon his or her own initiative or at the request of any four of the Directors. The notice shall include the time, date and location of the special meeting, as well as the agenda specifying the subjects to be covered at that meeting. Business conducted at the special meeting shall be limited to those items specified in the agenda.

SECTION 5: QUORUM

A quorum shall consist of a majority of all the appointed Directors.

SECTION 6: VOTE REQUIREMENTS

Except as set forth in the Intergovernmental Agreement, the concurrence of a majority of all the appointed Directors is necessary for the passage of any ordinance or resolution, the incurring of any debt or financial obligation, or the approval of any payment. All other action of the Agency not set forth in the Agreement shall require a majority of those Directors present, provided there is a quorum.

SECTION 7: RULES OF ORDER

The Chairman shall preside over all Agency meetings, shall preserve order and decorum, and shall conduct meetings in an orderly fashion. The Chairman may speak to points of order and shall decide all questions of order. Questions of procedure for meetings of the Agency which are not determined by its rules shall be governed by the latest edition of Roberts Rules of Order.

Revised. In case of any disturbance or disorderly conduct, the Chairman shall have the power to remove the cause of such or suspend the meeting.

SECTION 8: DISQUALIFICATION

No Director who has a personal, financial or other material interest in any matter before the Agency shall participate in any way in the deliberations or decision on such matter and, furthermore, shall remove himself or herself from any meeting or hearing while such matter is under consideration.

SECTION 9: RESCISSION

No resolution or other action shall be rescinded at any special Agency meeting unless there shall be present at such meeting at least as many members as were present at the meeting at which said resolution or other action was approved.

At the request of any Director present, any resolutions submitted to the Agency shall be reduced to writing before being voted upon.

SECTION 10: PUBLIC COMMENT

The Agency may, by a majority vote of the Directors present, determine to limit the time for any member of the public to address the Agency at any specific meeting.

ARTICLE VI

COMMITTEES

SECTION 1: PURPOSE

The Agency has determined that the committee structure may in many situations be the most efficient and productive way for the Directors to carry out their responsibilities. The primary responsibilities of all committees shall be suggesting policy, reviewing, investigating and making recommendations to the Agency. The committee structure is established so that more thought and time may be given to Agency matters by delegating review and investigative functions to a portion of its members. The committees, therefore, are not operating bodies, but reviewing and investigative bodies; committee actions are not instructions to the Agency, but rather shall constitute suggestions and recommendations.

SECTION 2: COMMITTEES

There shall be established an Executive Committee pursuant to authority set forth in the Agreement. In addition, the Board may establish such standing or special committees as it may deem necessary to effectuate business. The Chairman shall appoint all committees and committee chairmen, with the advice and consent of the other Directors. The duties of each committee shall be those duties specified at the time the committees are established, and may be modified from time to time by the Chairman or the Board.

SECTION 3: CHAIRMAN AS COMMITTEE MEMBER

The Chairman shall be an *ex-officio* member of all committees, but shall not vote on committee matters.

ARTICLE VII

DISBURSEMENT, LOANS AND CHECKS

SECTION 1: NO DISBURSEMENT WITHOUT AUTHORITY

No funds, moneys or other things of value in the hands of the Agency shall be paid out, disbursed, or delivered except upon warrant, draft or order approved and signed as herein provided.

SECTION 2: AUTHORIZATION

All disbursements shall be approved by the Agency from time to time.

SECTION 3: LOANS

The Agency may not borrow money without the approval of the Board of Directors.

SECTION 4: CHECKS

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness in the name of the Agency shall be signed by any two (2) of the following: The Chairman or the Vice Chairman and a Director.

SECTION 5: DESIGNATION OF FUND AND PAYEE

All checks shall specify the particular fund or appropriation to which they are chargeable and the person or other entity to whom payable.

ARTICLE VIII

CONDUCT OF THE DIRECTORS, OFFICERS AND EMPLOYEES OF THE AGENCY

SECTION 1: INTEREST IN CONTRACTS

The Directors, Officers and all employees of the Agency shall act and conduct themselves in such a manner that they do not violate any statute, ordinance, rule or regulation of the Agency, State of Illinois, or the federal government dealing with interest in contracts, jobs, work or materials or the profits thereof or services to be performed for or by the Agency.

SECTION 2: GIFTS AND REBATES

The Directors, Officers and all employees of the Agency are expressly prohibited from accepting directly or indirectly, from any person, company, firm or corporation to which any contract or a purchase order is or might be awarded, any gift, rebate, money or anything of value in excess of Five Dollars (\$5.00), except where given for the sole use and benefit of the Agency.

SECTION 3: COMMITMENTS

No Director, Officer, committee nor any other employee of the Agency shall in any way bind the Agency to do or not to do any certain thing unless expressly authorized to do so, and no unauthorized action shall be in any way binding upon or recognized by the Agency unless expressly ratified or approved by the Agency through its Board.

SECTION 4: LOBBYING

No Director, Officer or employee of the Agency shall lobby on any bill in any of the state or federal Legislatures in the name of the Agency unless the Agency through the Board specifically approves or opposes the bill and the Chairman directs the Director or employee to lobby in support of the Agency's position.

SECTION 5: CLAIMS AND ACTIONS

The Agency shall defend and indemnify its Directors, Officers and employees against claims or actions based upon injuries allegedly arising out of any act, error or omission occurring within the exercise of their lawful duties or scope of employment, as the case may be.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Agency shall commence on May 1 and shall end on the following April 30. The Agency shall adopt by ordinance or resolution an annual budget estimating required funds for the fiscal year which commences on the following May 1, and for its first year of existence shall adopt its first budget during the first quarter of the fiscal year, or not later than July 31, 1996.

ARTICLE X

BUDGET

SECTION 1: ANNUAL BUDGET

Not less than sixty (60) days prior to the beginning of each fiscal year, the Executive Committee, other appropriate committee, employee or auditor as directed by the Board, shall prepare and send to the Directors a tentative budget. The Board will hold a hearing on that budget at which any interested party, including the member municipalities, may be heard, and shall give not less than twenty-one (21) days' notice of such hearing or other notice as may be required by applicable budget laws. The Board shall approve the Agency's annual budget during the first quarter of its fiscal year.

SECTION 2: EXPENDITURES

After adoption of the annual budget, the Board, Executive Committee, the Executive Director, if any, and authorized staff, as the case may be, shall make only those expenditures which are authorized by budget and shall not contravene the provisions of the budget without approval by the Board through an amendment to the budget or other action as provided by law.

ARTICLE XI

AUDIT

The Agency shall provide for an annual audit to be made by an independent certified public accountant within one hundred twenty (120) days after the end of each fiscal year. The books of the Agency shall be kept in accordance with generally accepted

accounting principles and state law. A copy of the annual audit report shall be delivered to each Director promptly upon its receipt by the Agency.

ARTICLE XII

MISCELLANEOUS

SECTION 1: CONFLICT

In the event of any conflict between these By-Laws and any ordinance, resolution or order of the Agency, these By-Laws shall control. In the event of conflict between these By-Laws and any state statute applicable to the Agency, the statute shall first control, then the Intergovernmental Agreement and then these By-Laws.

SECTION 2: AMENDMENT

Amendments to these By-Laws may be proposed by any Director. The proposed amendment should be submitted to each Director by the Board at least thirty (30) days prior to the meeting of the Agency at which the proposed amendment is to be considered. Amendments may be adopted by not less than three-fourths (3/4) affirmative vote of all the Directors.

SECTION 3: COPIES

The Chairman is authorized and directed to cause copies of these By-Laws to be distributed to all Directors and other interested persons requesting a copy of the same.

SECTION 4: CAPTIONS AND HEADINGS

The captions and headings used herein are for convenience and reference only and do not define nor limit the contents of each paragraph.

SECTION 5: EFFECTIVE DATE

The By-Laws shall become effective upon approval by the Board of Directors. Any amendment to the By-Laws shall take effect immediately upon its approval by the Board of Directors, unless the terms of the amendment otherwise provide.

APPROVED this 7th day of October, 1996.

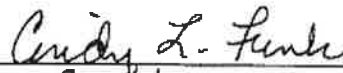
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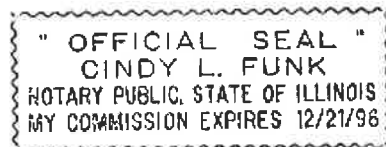
NAYS:

ABSENT:


Chairman

ATTEST:


Secretary



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